Government of Saskatchewan

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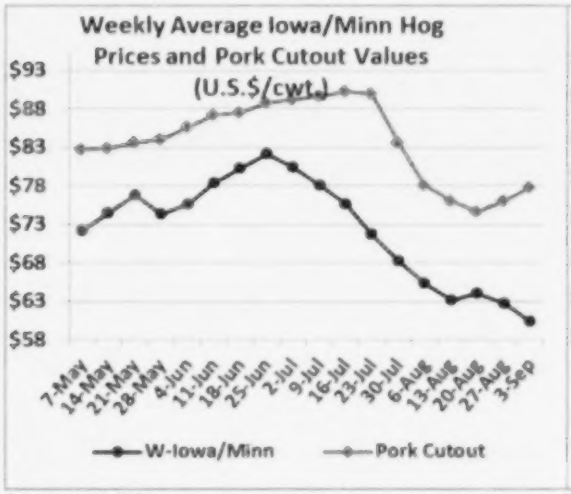
Weekly Hog Report

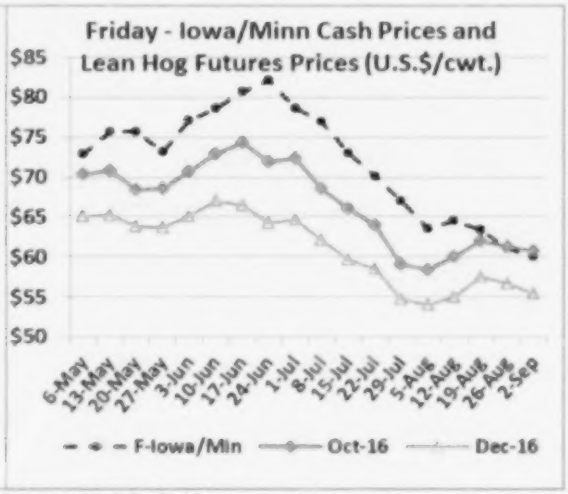
September 6, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed last week and edged lower ending Friday down, week-over-week. Hog prices on Friday September 2 averaged US$60.04 per cwt, down US$0.99 per cwt or 1.6 per cent from US$61.03 per cwt the previous Friday. The negotiated weekly base price last week averaged US$60.29 per cwt, down US$2.34 per cwt or 3.7 per cent from US$62.63 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

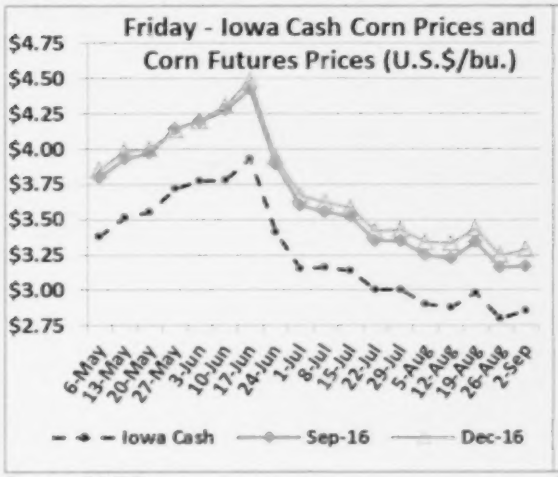
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday September 2, 2016 was $143.69 per ckg, down $3.12 per ckg or 2.1 per cent from $146.81 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $144.29 per ckg, down $4.65 or 3.1 per cent from the previous weeks' average price of $148.94 per ckg. The Canadian dollar was mixed last week but edged higher to close Friday at 76.98 cents, up 0.06 cents from 76.92 cents the previous Friday.

Futures Markets

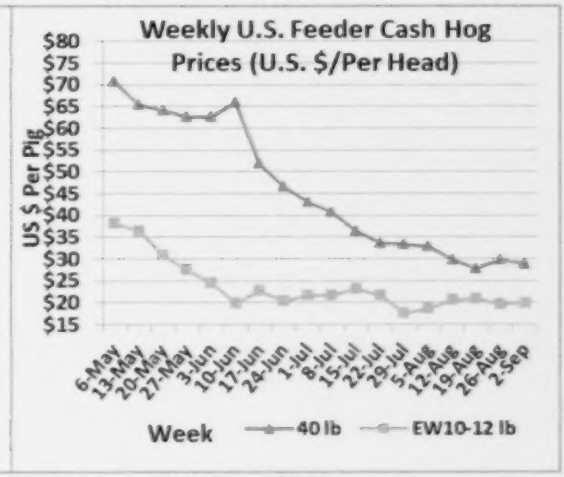
United States lean hog futures daily prices were overall steady early in the week with big losses on Friday to edge lower, week-over-week. The nearby October contract declined US$0.575 per cwt to settle Friday at US$60.750 per cwt. The December contract declined US$1.250 per cwt to settle Friday at US$55.375 per cwt. Iowa cash prices ended the week below the October futures price but over US$4 per cwt above the December futures price. Futures markets continue to indicate weaker fall prices ahead.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed again last week. Weighted average cash prices for iso-weans (12lb) last week were US$19.99 per head, up $0.47 per head from US$19.52 per head the previous week. Feeders (40lb) averaged US$28.67 per head, down $1.04 per head from US$29.71 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

U.S. corn prices edged higher last week. Iowa cash corn prices increased five cents over the week to settle Friday at US$2.85 per bushel. The September 2016 corn futures contract was mixed over the week and ended slightly higher (¼ cent per bushel) last week to settle Friday at US$3.16 ½ per bushel, while the December 2016 corn contract increased 3.5 cents to settle Friday at US$3.28 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending September 3 were estimated at 2.259 million head, up slightly from 2.256 million head the previous week, and up 3.5 per cent from 2.183 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending September 3 averaged 2.264 million head per week, up 2.3 per cent from 2.213 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending August 27, 2016 were estimated at 410,270 head, up 1.3 per cent from 404,910 head the previous week, but down 1.4 per cent from 416,115 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 397,483 head, down 1.0 per cent from 401,405 head over the same period in 2015. Year-to-date for 2016 hogs slaughtered in Canada totaled 13,723,492 head, up 1.2 per cent from 13,557,453 head the same period in 2015. In Western Canada, hogs slaughtered year-to-date for 2016 totaled 5,671,647, up 1.0 per cent from 5,614,911 head over the same period in 2015.
(Source: Agriculture and Agri Food Canada/Canadian Food Inspection Agency)

Meat Production

U.S. pork production for the week ending September 3, 2016 was estimated at 467.8 million lb.; steady from 467.7 million lb. the previous week, but up 3.0 per cent from 454.2 million lb. the same week a year ago. Pork production over the last four week's ending September 3 was estimated to average 468.7 million lb., up 1.5 per cent from 461.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending September 3 was estimated at 498.0 million lb.; steady from 498.1 million lb. the previous week, and up 5.8 per cent from 470.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 27, 2016, was estimated to average 2.083 billion lb., up 2.8 per cent from 2.025 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.7 per cent compared to the same period in 2015.

United States Weekly Meat Production

(Aug. 27) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	459.3	465.9	1.4%	0.3%
Beef	454.2	487.8	7.4%	5.2%
Chicken	992.7	995.2	0.3%	2.4%
Turkey	119.3	133.9	12.3%	4.9%
Total	**2,025.4**	**2,082.7**	**2.83%**	**2.71%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending September 3, 2016 averaged US$77.71 per cwt, up US$1.70 per cwt or 2.2 per cent from US$76.01 per cwt the previous week, but down 9.3 per cent from US$85.70 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending September 3, 2016 averaged US$195.67 per cwt over the week, down US$4.57 per cwt or 2.3 per cent from US$200.24 per cwt the previous week, and down 18.8 per cent from US$241.06 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending September 3, 2016 averaged US$149.14 per cwt, down 2.4 per cent or US$3.73 per cwt from US$152.87 per cwt the previous week, but up 4.9 per cent from US$142.40 per cwt the same week a year ago.

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